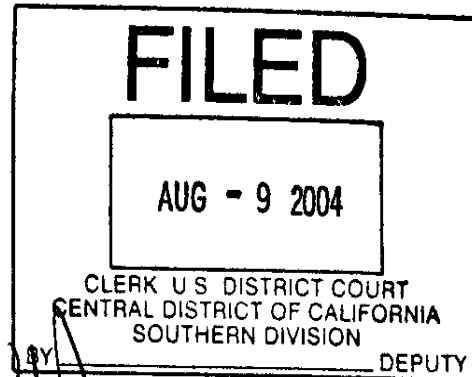


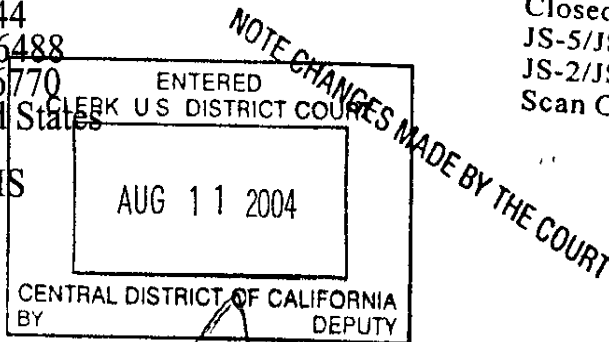
1 DEBRA W YANG  
United States Attorney  
2 EDWARD M ROBBINS, JR.  
Assistant United States Attorney  
3 Chief, Tax Division  
DARWIN THOMAS  
4 Assistant United States Attorney  
Federal Building, Room 7211  
5 300 North Los Angeles Street  
Los Angeles, California 90012  
6 Telephone. (213) 894-2400, Ex 2740  
Facsimile (213) 894-0115

7 MICHAEL R PAHL  
8 Mn Bar No 0234539  
Trial Attorney, Tax Division  
9 U.S Department of Justice  
Post Office Box 7238  
10 Ben Franklin Station  
Washington, D C 20044  
11 Telephone (202) 514-6488  
Facsimile (202) 514-6770  
12 Attorney for the United States

13 ANTHONY L HARGIS  
14 Santa Ana City Jail  
Pro Se



Priority  
Send ☒  
Enter ☒  
Closed ☐  
JS-5/JS-6 ☐  
JS-2/JS-3 ☐  
Scan Only ☐



15  
16 IN THE UNITED STATES DISTRICT COURT FOR THE  
CENTRAL DISTRICT OF CALIFORNIA

17 United States,

18  
19 Plaintiff,

20  
21 Anthony L Hargis individually and  
22 dba Anthony L Hargis & Co ,

23 Defendants

Case No  
SACV 04-00273 DOC (ANx)  
*Preliminary Injunction*  
~~Temporary~~  
~~Restraining Order~~ and  
Appointment of a Temporary  
Receiver

24  
25 *United States v. Anthony L. Hargis et al*  
SACV 04-00273 DOC (ANx)

26  
27 *Preliminary Injunction*  
~~Temporary Restraining Order~~  
and Appointment of a  
28 Temporary Receiver

1  
2 **Order**

3 Plaintiff United States of America moves for an Order temporarily  
4 restraining Anthony L Hargis, individually and doing business as A L H & Co  
5 from promoting a warehouse bank scheme that falsely promises customers that  
6 they can legally hide their income, assets, expenditures and identities from the IRS  
7 through the warehouse bank

8 NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND  
9 DECREED that:

10 1 Under 26 U S C § 7408, an abusive-tax-shelter promoter may be  
11 enjoined if a court finds that the person has engaged in any conduct subject to  
12 penalty under section 6700 (relating to penalties for promoting abusive tax  
13 shelters) and that injunctive relief is appropriate to prevent recurrence of such  
14 conduct

15 2 Hargis, individually and through ALH, participated in the sale of  
16 accounts with the ALH warehouse bank, which is an entity, plan, or arrangement  
17 within the meaning of 26 U S C § 6700(a)(1)(A)

18 3 In promoting ALH, Hargis repeatedly falsely promises customers that  
19 they can legally hide their income, assets, expenditures and identities from the IRS  
20 through the warehouse bank

21 4 Hargis knew or had reason to know of the falsity of the statements made  
22 in promoting ALH Hargis proclaims himself a nationally recognized authority in  
23 the field of the constitutionality of the tax code, offers books and articles for sale  
24

25  
26 *Preliminary Injunction*  
27 *Temporary Restraining Order*  
28 *and Appointment of a*  
*Temporary Receiver*

*United States v Anthony L Hargis et al*  
SACV 04-00273 DOC (ANx)

1 at ALH's website, www.anthonyhargis.com, and is aware that courts have  
2 repeatedly held that warehouse banks are tax evasion schemes

3 6 Hargis's false statements pertain to the legality of a scheme to hide  
4 income, assets, expenditures, and identities from the IRS As a result, Hargis's  
5 repeated false statements are "material" within the meaning of 26 U S C. 6700.

6 7 Hargis has continued to make these false statements even after the IRS  
7 informed him that he is making false statements about the supposed tax  
8 advantages deriving from the warehouse bank, after he was jailed for refusing to  
9 turn over bank records, and after the government brought suit to enjoin him from  
10 making these misrepresentations

11 8 Since the Complaint was filed on March 9, 2004, ALH customers who  
12 owe substantial tax debts, are under IRS audit, have been found guilty and  
13 sentenced for failing to file federal tax returns, or who have failed to file federal  
14 tax returns have used ALH and its seven commercial bank accounts to hide their  
15 income, assets, expenditures, and identities from the IRS

16 9 ALH customers have incurred federal tax debts ranging from \$3,418 to  
17 \$430,388, for a total tax debt of \$2,040,406 and an average ALH customer tax  
18 debt of \$97,162

19 10 ALH's founder, Anthony L Hargis, has been in contempt of court since  
20 March 15, 2004 for failing to produce ALH's records

21 11 Hargis has not filed a federal income tax return since at least 1989 and  
22 ALH has never filed a federal tax return

23 12 Hargis has incurred a federal tax debt of \$126,546

24  
25  
26 *Preliminary Injunction*  
27 *Temporary Restraining Order*  
28 *and Appointment of a*  
*Temporary Receiver*

*United States v Anthony L Hargis et al*  
SACV 04-00273 DOC (ANx)

1 13. Because Hargis has refused to produce ALH's records, the immediate  
2 turnover of ALH's records to a receiver is necessary to determine whether ALH  
3 has accounts other than the seven commercial bank accounts referenced below

4 14 There is a substantial likelihood that, absent an asset freeze, the  
5 defendants will conceal, dissipate, or otherwise divert ALH's assets, thereby  
6 defeating the possibility of effective final relief

7 *See also additional ~~oral~~ findings*  
Accordingly, this Court ORDERS that

8 A Under 26 U S C § 7408, a ~~temporary restraining order~~ *Preliminary injunction* is entered  
9 prohibiting Hargis, individually and doing business as A.L H & Co , and his  
10 representatives, agents, servants, employees, attorneys, and those persons in active  
11 concert or participation with him, from directly or indirectly promoting,  
12 marketing, or selling the warehouse bank scheme referenced above, or similar  
13 false and fraudulent schemes, and from providing services to ALH customers

14 B That Hargis contact by mail (and also by e-mail, if an address is known)  
15 within 14 days of the entry of this Order all ALH customers, past and present, and  
16 inform them of the Court's findings concerning the falsity of Hargis's  
17 representations and attach a copy of the temporary restraining order against Hargis  
18 and his associates and related entities Hargis shall file a sworn certificate of  
19 compliance with this portion of the Order, within 18 days of the date of this Order

20 C That Hargis and his representatives, agents, servants, employees,  
21 attorneys, and those persons in active concert or participation with him display  
22 prominently on the first page of the www.anthonyhargis.com website a complete  
23 copy of the Court's temporary restraining order within 7 days of the entry of this  
24 Order

25 *Doc*  
26 *Preliminary Injunction*  
27 *Temporary Restraining Order*  
28 *and Appointment of a*  
*Temporary Receiver*

*United States v. Anthony L. Hargis et al*  
*SACV 04-00273 DOC (ANx)*

1 D That Hargis and his representatives, agents, servants, employees,  
2 attorneys, and those persons in active concert or participation with him are  
3 temporarily restrained and enjoined from transferring, converting, encumbering,  
4 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, or  
5 otherwise disposing of any funds, property, artwork, coins, precious metals,  
6 jewelry, contracts, shares of stock, or other assets, wherever located, that are (1)  
7 owned or controlled by defendants, in whole or in part; or (2) in the actual or  
8 constructive possession of defendants, (3) owned, controlled by, or in the actual or  
9 constructive possession of defendants or any other entity that is directly or  
10 indirectly owned, managed, or controlled by, or under common control with,  
11 defendants, including, but not limited to, any assets held by or for defendants in  
12 any account at any bank or savings and loan institution, or with any broker-dealer,  
13 escrow agent, title company, commodity trading company, precious metal dealer,  
14 or other financial institution of any kind, including, but not limited to, assets in the  
15 following accounts at

16 (1) California Bank & Trust, 9775 Clairemont Mesa San Diego, CA

17 Account Nos 31-200222-36 and 35-110250-93,

18 (2) U S Bank, 800 Nicollet Mall Minneapolis, MN

19 Account Nos 1-638-0068-5147 and 1-654-0012-0094

20 (3) Union Bank of California, 400 California Street San Francisco, CA

21 Account No 0611271982

22 (4) California National Bank, 221 South Figueroa Street Los Angeles, CA

23 Account No 043-1016660

24  
25  
26 *Preliminary Injunction*  
27 *Temporary Restraining Order*  
28 *and Appointment of a*  
*Temporary Receiver*

*United States v Anthony L Hargis et al*  
*SACV 04-00273 DOC (ANx)*

1 (5) Pacific Premier Bank, 1598 East Highland Avenue San Bernardino, CA  
2 Account No 05-170095-16

3 (6) Desert Community Bank, Las Vegas, Nevada  
4 Account No 301006046  
5

6 Defendants are also temporarily restrained from opening or causing to be opened  
7 any safe deposit boxes or storage facilities titled in the name of any defendants, or  
8 subject to access by any defendants or under their control, without providing the  
9 Department of Justice with prior notice and an opportunity to inspect the contents  
10 in order to determine that they contain no assets covered by this section

11 E The assets affected by this Order shall include both existing assets and  
12 assets acquired after the effective date of this Order, and defendants shall hold and  
13 account for such property and assets and payments received by them, including,  
14 but not limited to, borrowed property and gifts.  
15

16 G Each of the banks named in Paragraph D above and any financial or  
17 brokerage institution, escrow agent, title company, storage facility, commodity  
18 trading company, business entity or person maintaining or having custody or  
19 control of any account or other asset of the defendants, or any corporation,  
20 partnership, or other entity directly or indirectly owned, managed, or controlled  
21 by, or under common control with, the defendants or that at any time since January  
22 1976, has maintained or had custody of any such account or other asset, and which  
23 is served with a copy of this Order, or otherwise has actual knowledge of this  
24 Order, shall

25  
26 *Preliminary Injunction*  
27 *Temporary Restraining Order*  
28 *and Appointment of a*  
*Temporary Receiver*

*United States v Anthony L Hargis et al*  
SACV 04-00273 DOC (ANx)

1           1    Hold and retain within its control and prohibit the withdrawal, removal,  
2 assignment, transfer, pledge, hypothecation, encumbrance, disbursement,  
3 dissipation, conversion, sale, or other disposal of any of the assets, funds, or other  
4 property held by, or under its control, on behalf of the defendants in any account  
5 maintained in the name of, or for the benefit of the defendant, in whole or in part,  
6 except in accordance with any further order of the Court, and  
7

8           2    Deny access to any safe deposit boxes or storage facilities that are either

9               a    Titled in the name, individually or jointly, of the defendants, or

10              b   Otherwise subject to access by the defendants,

11           3    Within ten business days of the date of service of this Order provide to  
12 the receiver named below a certified statement setting forth.

13           (a) The identification of each account or asset titled in the name,  
14 individually or jointly, of the defendants, or held on behalf of, or for the  
15 benefit of, the defendants,

16           (b) The balance of each such account, or a description and appraisal of the  
17 value of such asset, as of the close of business on the day on which this Order is  
18 served, and, if the account or other asset has been closed or removed, the date  
19 closed or removed, the total funds removed in order to close the account, and the  
20 name of the person or entity to whom such account or other asset was remitted,  
21 and  
22

23           (c) The identification of any safe deposit box or storage facility that is either  
24

25  
26           *Preliminary Injunction*  
27           *Temporary Restraining Order*  
28           *and Appointment of a*  
              *Temporary Receiver*

*United States v. Anthony L. Hargis et al*  
                                  SACV 04-00273 DOC (ANx)

1 titled in the name individually or jointly, of the defendants, or is otherwise  
2 subject to access or control by the defendants

3 H That Hargis and his representatives, agents, servants, employees,  
4 attorneys, and those persons in active concert or participation with him are  
5 temporarily restrained and enjoined from destroying, erasing, mutilating,  
6 concealing, altering, transferring or otherwise disposing of, in any manner, directly  
7 or indirectly, any documents that relate to the business practices or business or  
8 personal finances of the defendants, to the business practices or finances of  
9 entities directly or indirectly under the control of defendants; or to the business  
10 practices or finances of entities direction or indirectly under common control with  
11 any other defendant  
12

13 I That Robert Mosier is appointed as temporary receiver of ALH, with full  
14 powers of an equity receiver, including, but not limited to, full power over all  
15 funds, assets, collateral, premises (whether owned, leased, occupied, or otherwise  
16 controlled), choses in action, books, records, papers and other property belonging  
17 to, being managed by or in the possession of ALH, and that such receiver is  
18 immediately authorized, empowered, and directed

19 1 to enter on the premises of ALH at 17220 Newhope Street, Suite 201,  
20 Fountain Valley, California without notice to ALH and to take possession of the  
21 following

22 (1) all of ALH's assets, include currency, gold, silver, and computers,  
23  
24

25  
26 *Preliminary Injunction*  
27 *Temporary Restraining Order*  
28 *and Appointment of a*  
*Temporary Receiver*

*United States v Anthony L Hargis et al*  
SACV 04-00273 DOC (ANx)



1 (2) all of ALH's documents, including, but not limited to, books and records  
2 of accounts, all financial and accounting records, balance sheets, customers  
3 lists, income statements, bank records (including monthly statements,  
4 canceled checks, records of wire transfers, and check registers), title  
5 documents, and other papers;

6 (3) all assets belonging or owed to ALH's customers now held by ALH,

7 (4) all keys and codes necessary to gain or to secure access to any assets  
8 or documents of ALH, including, but not limited to, access to their  
9 business premises, means of communication, accounts, computer systems,  
10 or other property  
11

12 In entering into ALH's office and taking possession of these records, the receiver  
13 shall be accompanied by the United States Marshal or any sheriff or deputy sheriff  
14 of any county, or any other federal or state law enforcement officer, at the sole  
15 discretion of the receiver. Any property obtained by the receiver shall be held by  
16 him until further notice by the Court. An itemization of all items seized shall be  
17 filed with Magistrate Judge Nakazato as soon as practicable. The receiver shall  
18 give the IRS access to inspect and copy all records obtained

19 2 to have control of, and to be added as the sole authorized signatory for,  
20 all accounts of ALH, including all accounts over which ALH, and any of its  
21 employees or agents, have signature authority, at any bank, title company, escrow  
22 agent, financial institution or brokerage firm which has possession, custody, or  
23

24  
25  
26 *Preliminary Injunction*  
27 *Temporary Restraining Order*  
28 *and Appointment of a*  
*Temporary Receiver*

*United States v Anthony L Hargis et al*  
SACV 04-00273 DOC (ANx)

1 control of any assets or funds of ALH, or which maintains accounts over which  
2 ALH, and/or any of its employees or agents have signature authority

3 3 to conduct such investigation and discovery as may be necessary to  
4 locate, account for and recover all of the assets of ALH, and to engage and employ  
5 attorneys, accountants and other persons to assist in such investigation and  
6 discovery

7 4 to take such action as is necessary and appropriate to preserve and take  
8 control of and to prevent the dissipation, concealment, or disposition of any assets  
9 of or managed by ALH

10 5 to make an accounting, as soon as practicable, to this Court and to the  
11 parties, of the assets and financial condition of ALH, and the assets under its  
12 management, and to file the accounting with the Court and deliver copies to the  
13 parties

14 6 To make such payments and disbursements from the funds and assets  
15 taken into custody, control, and possession or thereafter received, and to incur, or  
16 authorize the making of, such agreements as may be necessary and advisable in  
17 discharging his duties as receiver

18 7 to employ attorneys, accountants, and others to investigate and, where  
19 appropriate, to institute, pursue, and prosecute all claims and causes of action of  
20 whatever kind and nature which may know or hereafter exist as a result of the  
21 activities of ALH or present or past employees or agents of ALH  
22  
23  
24

25  
26 *Preliminary Injunction*  
*Temporary Restraining Order*  
27 *and Appointment of a*  
*Temporary Receiver*

*United States v. Anthony L. Hargis et al*  
SACV 04-00273 DOC (ANx)

1 8 to have access to, monitor, and redirect all mail (including email) of  
2 ALH in order to review mail which he deems relates to the business of ALH and  
3 the discharging of his duties as receiver

4 J That Hargis and his representatives, agents, servants, employees,  
5 attorneys, and those persons in active concert or participation with him, and any  
6 other persons who are in custody, possession, or control of any assets, collateral,  
7 books, records, papers, or other property of or managed by ALH, shall forthwith  
8 give access to and control of such property to the receiver.  
9

10 K That Hargis and his representatives, agents, servants, employees,  
11 attorneys, and those persons in active concert or participation with him shall take  
12 no action or purport to take any action, in the name of or on behalf of ALH,  
13 without the prior written consent of the receiver or order of this Court

14 L That except by leave of this Court, during the pendency of this  
15 receivership, all clients, investors, account holders, trust beneficiaries, note  
16 holders, creditors, claimants, lessors, and all persons seeking relief of any kind, in  
17 law or in equity, from ALH, and all persons acting on behalf of such investor,  
18 account holder, trust beneficiary, note holder, creditor, claimant, lessor, or other  
19 person, including sheriffs, marshals, servants, agents, employees, and attorneys,  
20 are hereby restrained and enjoined from, directly or indirectly, with respect to  
21 ALH  
22  
23  
24

25  
26 *Preliminary Injunction*  
27 *Temporary Restraining Order*  
28 *and Appointment of a*  
*Temporary Receiver*

*United States v Anthony L Hargis et al*  
SACV 04-00273 DOC (ANx)

1       1   commencing, prosecuting, continuing or enforcing any suit or  
2 proceeding (other than the present case by the Department of Justice) against  
3 ALH,

4       2   using self-help or executing or issuing or causing the execution or  
5 issuance of any court attachment, subpoena, replevin, execution or other process  
6 for the purpose of impounding or taking possession of or interfering with or  
7 creating or enforcing a lien upon any property or property interests owned by or in  
8 possession of ALH, wherever situated,

9       3. doing any act or thing whatsoever to interfere with taking control,  
10 possession or management by the receiver appointed hereunder of the property and  
11 assets owned, controlled or managed by or in the possession of ALH, or any of its  
12 subsidiaries or affiliates, or in any way to interfere with or harass the receiver or  
13 his attorneys, accountants, employees or agents or to interfere in any manner with  
14 the discharge of the receiver's duties and responsibilities hereunder

15       M   That ALH shall pay the costs, fees and expenses of the receiver incurred  
16 in connection with the performance of his duties described in this Order, including  
17 the costs and expenses of those persons who may be engaged or employed by the  
18 receiver to assist him in carrying out his duties and obligations   All applications  
19 for costs, fees and expenses for services rendered in connection with the  
20 receivership order other than routine and necessary business expenses in  
21 conducting the receivership, such as salaries, rent and any and all other reasonable  
22  
23  
24  
25

26       *Preliminary Injunction*  
27       *Temporary Restraining Order*  
28       *and Appointment of a*  
          *Temporary Receiver*

*United States v. Anthony L. Hargis et al*  
SACV 04-00273 DOC (ANx)

1 operating expenses, shall be made by application setting forth in reasonable detail  
2 the nature of the services and shall be heard by the Court

3 N That no bond shall be required in connection with the appointment of  
4 the receiver Except for an act of gross negligence, the receiver shall not be liable  
5 for any loss or damage incurred by Hargis and his representatives, agents,  
6 servants, employees, attorneys, and those persons in active concert or participation  
7 with him, by reason of any act performed or omitted to be performed by the  
8 receiver in connection with the discharge of his duties and responsibilities  
9

10 O That this Court shall retain jurisdiction over this case for the purpose of  
11 implementing and carrying out the terms of all orders and decrees which may be  
12 entered herein and to entertain any suitable application or motion for additional  
13 relief within the jurisdiction of this Court  
14

15  
16 Dated August 9, 2004

David O Carter  
David O Carter  
United States District Judge  
17  
18  
19  
20  
21  
22  
23  
24

25  
26 *Preliminary Injunction*  
27 *Temporary Restraining Order*  
28 *and Appointment of a*  
*Temporary Receiver*

*United States v Anthony L Hargis et al*  
SACV 04-00273 DOC (ANx)